

The Procedure to be Followed When Canadian Materials and/or Equipment Are Being Purchased by Competitive Tender.

■ The purchaser will provide the Canadian International Development Agency with a copy of the invitation to tender together with schedules and specifications for approval prior to a tender call being issued.

■ After receiving approval from CIDA and simultaneously with the issue of the tender call the purchaser will forward to CIDA a copy of the invitation to tender and a list of the firms invited to tender.

■ The purchaser will call tenders from Canadian suppliers or their accredited agents. The tenders may be called from a representative list of Canadian manufacturers or suppliers, which list may be obtained from Canadian Trade Commissioners overseas or from the Canadian International Development Agency or the Canadian Commercial Corporation. Alternatively, the invitation to tender may be published in Canadian newspapers or trade journals.

■ The tender documents will instruct the supplier submitting a tender to send a copy of his quotation together with a completed declaration of Canadian content form, directly to CIDA.

■ The purchaser will allow adequate time for suppliers to tender permitting careful preparation of tenders and time for mail delivery.

■ Upon completion of tender assessment the purchaser is required to provide CIDA with particulars of all tenders received and the name of the firm with whom it is proposed to place the contract.

■ If the purchaser wishes to accept any tender other than the lowest tender that meets the specifications he must obtain prior authority from CIDA before doing so. He will indicate acceptance of a tender by issue of a purchase order to the supplier at the same time sending a copy of the purchase order to CIDA.

■ On receipt of a copy of the purchase order and a certificate from the government of the purchaser that the purchase has been accepted for financing under a specific item of the Canadian aid programme, if the tender and purchase order are satisfactory, CIDA will issue to the supplier a confirmation of its agreement to the purchase of



the materials and of its responsibility for payment of costs to F.A.S. a Canadian port.

■ CIDA will make payment in Canadian funds direct to the supplier on receipt of the invoices and the copies of the ocean bill of lading as proof of shipment and other documents that may be specified in the purchase order.

■ Shipping documents are usually made up in sets consisting of:

A copy of the commercial invoice.

A copy of the ocean bill of lading

Copies of weight certificates, analysis certificates and inspection certificates where applicable.

■ The above sets are usually distributed as follows:

Three sets, containing the negotiable ocean bills of lading, are sent as instructed in the purchaser's purchase order.

Three sets are sent to CIDA for payment purposes. One of these sets will contain the original invoice; the others will contain copies of the invoice. All these sets will contain non-negotiable ocean bills of lading with the supporting documents.

■ The number of sets specified by the purchaser's purchase order are sent to the consignee.

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■ Similarly, the number of sets specified by the purchaser's purchase order are sent to the party to be notified (notify party).

The Procedure to be Followed When Canadian Materials are Being Purchased at Established International Prices (Aluminum, Copper, Nickel, etc.)

■ The purchaser will issue a purchase order to the Canadian supplier or his accredited agent, based on established international prices.

■ A copy of the purchase order certified as acceptable for financing under the Canadian aid program, by the designated authority in the government of the purchaser's country, will be forwarded to CIDA by that government.

■ Upon receipt of the certified purchase order, if CIDA approves the purchase it will issue a confirming purchase order to the Canadian supplier to cover the cost of the purchase to F.A.S. Canadian seaport.

■ CIDA will make payment in Canadian funds on receipt of the invoices and the copies of the ocean bills of lading as proof of shipment and other documents that may be specified in the purchase order.

The foregoing is intended to provide a basic summary of procedures at the time of publication. As this pamphlet does not purport to set out the procedures in every detail and as changing conditions require that changes be made in procedures from time to time without notice, this should be used only as a guide. Those with specific interest in a particular matter should consult CIDA to obtain the latest complete information.

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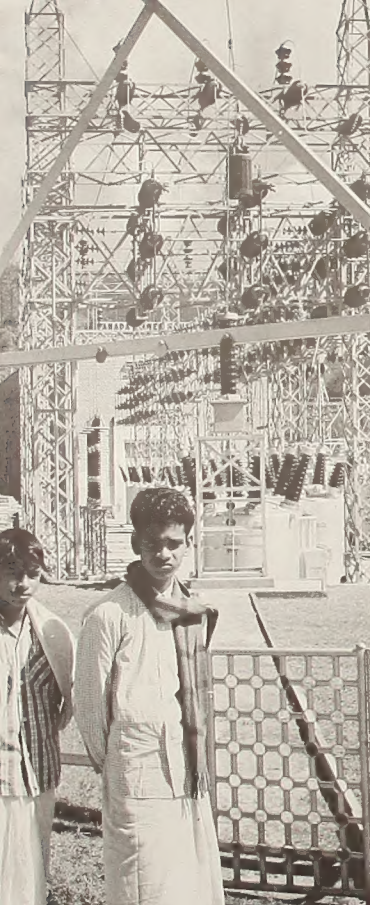
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Under the Canadian aid program, capital assistance to developing countries is given in the form of grants and of development loans. In both cases, funds are provided mainly for the purchase of Canadian goods or services. The goods purchased must be of a type produced in Canada and readily available. Professional services are often provided under capital projects. However the procedures used in purchasing such services are somewhat different from the procedures outlined in this pamphlet for purchasing goods.

The request for assistance must be made in the first place by the government of the developing country to the government of Canada. If the project is agreed to by Canada, the government of the developing country may authorize an end-user to make a direct purchase from a Canadian supplier in accordance with the procedures described below. However, the administration of the project remains subject to terms of any loan under which the purchase is made.

The Government of Canada administers the Canadian aid program through the Canadian International Development Agency. Where assistance is provided in the form of a grant it is usual for that Agency to procure the necessary materials and equipment through its purchasing agent, the Canadian Commercial Corporation. However, under certain circumstances direct purchases may be permitted even under grant aid. In those cases the procedures to be followed are the same as those to be followed for development loans.

The procedures for most purchases require that tenders be called. The exceptions are:

- Where an international market, such as the London Metal Market, sets the price for the particular commodity and it is international practice to accept that price;
- Where it is established that there is only one Canadian source for the particular material requested or where the process of manufacture in the developing country is designed to use the material of one Canadian producer;
- Where the purchase is made from Canadian government stocks or from a Canadian government agency.

Under some circumstances arrangements may be made with a developing country for utilization of development loan funds to finance the purchase of Canadian goods from a Canadian firm that has won an international tender called by that country.

Canadian development loans are in some instances administered through an international agency. The purchasing procedures are substantially the same as for direct purchasing under CIDA except that approval of specifications and of the accepted tender may be delegated to the international agency and payment may be arranged through that agency.

Purchasers who are unfamiliar with Canadian standards and suppliers are encouraged to use a Canadian consultant to prepare specifications and to supervise procurement.

The Canadian Commercial Corporation, a Canadian government agency, is prepared to act as a purchasing agent for a developing country. It will, if required, arrange inspection through the Canadian government inspection services and it will arrange shipment, although the cost of overseas shipment and insurance must be borne by the purchaser. Canadian suppliers interested in overseas markets are advised to register with the Contract Services Division of the Canadian Commercial Corporation, 70 Lyon Street, Ottawa 4, Ontario.

The cost of inspection, other than that normally provided by the supplier who gives a "Manufacturer's Warranty", will be borne by the purchaser. Independent inspection may be

arranged with a commercial Canadian firm specializing in that service. Also, as mentioned above, the Canadian government inspection services may be engaged at a reasonable cost.

The responsibility for arranging and paying for overseas shipping and insurance rests with the recipient. Canadian development funds will be used to cover shipment only as far as F.A.S. (free alongside ship) at a Canadian port. For certain bulk cargoes, such as wheat, F.O.B. (free on board ship) at a Canadian port may be permitted for Canadian financing. Cost of demurrage and/or of storage at the docks will be the responsibility of the recipient if these costs are incurred due to late arrival of the ship at the port.

The recipient is required to insure the purchased materials and equipment in transit from a Canadian port and while awaiting shipment at the port with the provision that claims will be paid in Canadian currency.

If the purchaser should receive directly or indirectly any payment of insurance arising from loss or damage to a shipment being purchased under Canadian development financing, the purchaser shall notify immediately the Canadian International Development Agency of such payment and use the funds so obtained to replace the loss in kind from a Canadian source.

